

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

MOTOROLA SOLUTIONS INC., ) Docket No. 17 C 1972  
)  
Plaintiff, ) Chicago, Illinois  
) November 21, 2018  
v. ) 9:45 a.m.  
)  
HYTERA COMMUNICATIONS )  
CORPORATION LTD., HYTERA )  
AMERICA, INC., and HYTERA )  
COMMUNICATIONS AMERICA (WEST), )  
INC., )  
)  
Defendants. )

TRANSCRIPT OF PROCEEDINGS - Motion Hearing  
BEFORE THE HONORABLE JOHN ROBERT BLAKEY

APPEARANCES:

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1 (In open court.)

2 THE COURT: Court's in session. Please be seated.

3 THE CLERK: 17 C 1972, Motorola Solutions v. Hytera  
4 Communications Corp.

5 THE COURT: Good morning, Counsel. Appearances,  
6 please.

7 MR. SCHRIVER: Good morning, Judge. I'm John  
8 Schriver. I'm here today representing defendant, Hytera  
9 companies.

10 MR. STRINGFIELD: Good morning, your Honor. Daniel  
11 Stringfield, also on behalf of Hytera.

12 And I have a motion to substitute counsel that's  
13 before the Court that we filed yesterday.

14 THE COURT: Okay.

15 MR. ALPER: Good morning, your Honor. Adam Alper on  
16 behalf of Motorola, from Kirkland.

17 MR. De VRIES: And good morning, your Honor. Mike  
18 De Vries from Kirkland on behalf of Motorola.

19 THE COURT: All right. And I'm going to grant the  
20 motion to substitute counsel.

21 MR. STRINGFIELD: Thank you, your Honor.

22 THE COURT: Have you filed your appearance yet?

23 MR. STRINGFIELD: Not yet. It was attached as an  
24 exhibit to the motion.

25 THE COURT: All right. Go ahead and file that today.

1           What's the current status? I know we were waiting to  
2 see what might happen in front of the International Trade  
3 Commission.

4           MR. ALPER: Yes, your Honor. Adam Alper for Motorola.

5           The current status is this: As your Honor knows, the  
6 case has been stayed pursuant to the mandatory stay provisions  
7 since May 2017.

8           On Friday we received our commission decision. The  
9 ITC found that the four patents that had been fully adjudicated  
10 before it were infringed, invalid, and issued an exclusion  
11 order against Hytera on three of the four patents, banning all  
12 of Hytera's DMR -- that's the technology at issue in the  
13 case -- DMR products from the United States and also issued  
14 what they call a cease-and-desist order covering that same set  
15 of products; that that is now going to be followed by a 60-day  
16 presidential review period. That will conclude on  
17 January 15th, 2019, at which point, barring a veto by the  
18 United States trade representative, the exclusion order and  
19 cease-and-desist order will go into effect.

20           I think as it relates to this case, your Honor, and  
21 the mandatory stay provision, as your Honor knows, this case  
22 has seven patents in it. The original ITC proceedings had  
23 seven patents in them as well.

24           At the administrative law judge's suggestion, we -- in  
25 order for case management purposes, earlier in the proceedings,

1 three of the patents were streamlined out, without any  
2 concession with respect to infringement or any of the merits on  
3 those patents.

4 Motorola opted to move forward on the other four.

5 And so at this point the commission has dismissed  
6 those patents, and so three of the patents before your Honor  
7 are no longer subject to the mandatory stay provision because  
8 they're no longer part of the ITC proceedings. So for at least  
9 those three, the stay doesn't apply anymore and those are free  
10 to move forward.

11 With respect to the other four that are currently in  
12 the ITC, the -- we spoke with counsel for Hytera yesterday.  
13 Hytera is considering whether it's going to appeal the ITC's  
14 rulings.

15 If the parties do not -- this mandatory stay applies  
16 through appeals. If the -- if neither party appeals any of the  
17 rulings, then the stay would no longer be applicable. If the  
18 parties do apply the rulings, then the stay would continue.

19 And we've just discussed procedure for exchanging  
20 client-friendly versions of the order that came down on Friday  
21 from the ITC. Of course, as I'm sure your Honor is aware,  
22 those are protected by protective orders at this point so that  
23 the opinion -- detailed opinion is confidential.

24 However, we were going to work out a way to expedite  
25 our client seeing that. So if Hytera wants to make a -- you

1 know, a decision on appeals, it can do that in a more  
2 expeditious matter.

3 That said, we plan to ask your Honor by way of a  
4 motion to move forward with at least the three patents that are  
5 no longer subject to the stay. Those have been pending for  
6 quite a while, and at this point, now that we have the full  
7 guidance of the commission, we feel those are in a position to  
8 be adjudicated here.

9 THE COURT: What are your thoughts?

10 MR. STRINGFIELD: Thank you, your Honor. Daniel  
11 Stringfield on behalf of Hytera.

12 Your Honor, our position is that the stay should not  
13 be lifted at this time. As counsel indicated in his remarks,  
14 they say at this time they want to go forward with a case on  
15 three patents and then maybe add four later, either in 60 days  
16 after their appeal period expires or 120 days after Hytera's  
17 appeal review period expires or maybe 12 months from now if  
18 either party decides to go forward with an appeal and we  
19 adjudicate that appeal.

20 Your Honor, the language of the statute that mandates  
21 the appeal says that the stay should continue with respect to  
22 any claim that involves the same issues involved in the  
23 proceeding before the commission.

24 All seven of these patents were asserted in this case  
25 in the same complaint. All seven of those patents were also

1 asserted in the same ITC complaint. The petitioner, or the  
2 plaintiff here, cannot credibly claim that these patents relate  
3 to different issues. It doesn't make sense to lift the stay as  
4 to some subset of the patents while reserving their right to  
5 later bring more patents either before this Court or another  
6 district court.

7 Your Honor, it is our position that the stay should  
8 continue at least until the appeal period is expired for the  
9 parties to get a better picture of which patents are going to  
10 be in this case and which patents are not going to be in this  
11 case.

12 And, your Honor, just a few timeline points that are  
13 worth noting. This case is -- the extension of the -- or the  
14 stay, rather, has been extended on multiple occasions. One  
15 such extension was February 7th of 2018, and that's Docket  
16 No. 45.

17 On February 7th of 2018, the Motorola parties had  
18 already dropped these three patents from their case, from the  
19 ITC case at that time. The Motorola parties did not seek to go  
20 forward with those three patents at that time.

21 It was only now, some ten months later, after they've  
22 gotten the decision from the ITC on the four patents that  
23 remained, that Motorola sought to go forward.

24 So we don't -- we don't sense or share the urgency  
25 that Motorola feigns today with respect to those three patents

1 that it dropped from its ITC case prior to February 7th, 2018.

2 THE COURT: Would you respond to that, Counsel?

3 MR. ALPER: Yes, your Honor. Just a couple of brief  
4 responses.

5 First of all, under 28 U.S.C. 1659 -- that's the  
6 mandatory stay provision -- the three patents that are not part  
7 of the ITC are definitively not stayed under that provision.  
8 That provision specifically refers to claims that are stayed,  
9 and there is no claim on those patents in the ITC. So the  
10 mandatory stay provision does not apply there.

11 When it comes to a discretionary stay, your Honor --  
12 which your Honor certainly has the ability to apply a  
13 discretionary stay in this instance -- it's not warranted when  
14 it comes to those three patents as we would plan to present to  
15 your Honor when we would move, your Honor, on this point.

16 The patents, although relate to the same overall  
17 products, relate to discrete features. And in the ITC, based  
18 on the strong suggestion from the administrative law judge,  
19 we -- Motorola opted to take those three patents and put --  
20 litigate them in the district court as opposed to the ITC where  
21 the four remaining patents went through to a final decision  
22 that we just received on Friday.

23 I will note this: It is important to Motorola and in  
24 the interest of justice to move forward with these patents.  
25 The four patents that were before the ITC were not only found

1 to be infringed; they were found to be intentionally infringed.  
2 And Hytera was found with respect to those patents to be an  
3 intentional copyist, and the evidence supports the same when it  
4 comes to these other three. And that's a very important part  
5 of our case because this is one -- a case between competitors.  
6 Hytera is currently using these technologies in the marketplace  
7 to Motorola's great irreparable harm.

8 And so moving forward is not -- is not barred by the  
9 mandatory stay provision in any way absolutely as a matter of  
10 law. And, secondly, a discretionary stay in these  
11 circumstances would not be appropriate.

12 THE COURT: Are the parties talking about settlement  
13 at all?

14 MR. STRINGFIELD: Not that I'm aware of, your Honor.

15 MR. ALPER: We've had discussions in the past, but we  
16 don't have anything currently on calendar to talk.

17 THE COURT: Does the ITC decision change that  
18 landscape at all?

19 MR. ALPER: It -- well, since Motorola prevailed, we  
20 would have to -- I think that would be more of a question for  
21 Hytera, if they --

22 THE COURT: He's new to the case.

23 I'm going to ask the parties about that on the next  
24 court date. If that decision is going to affect that -- you  
25 know, no one has to settle, but people do have to talk about it



1 because it's important to, under Rule 1.

2 So if you'd go ahead and at least discuss with new  
3 counsel what those issues are.

4 MR. ALPER: Certainly.

5 THE COURT: One of my concerns about lifting the stay  
6 would be to have duplicative discovery. Is there any portion  
7 of the discovery that essentially can be carved out with  
8 respect to the three patents that are no longer subject to the  
9 mandatory stay?

10 For example, I don't want to have multiple depositions  
11 of the same person, but perhaps written discovery can begin to  
12 issue between now and at least between the 60-day period to see  
13 whether or not we're going to have additional proceedings at  
14 the ITC or whether or not the remaining claims or whatever  
15 other issues are going to happen there are going to clarify  
16 before we finish discovery here.

17 What are your thoughts on that?

18 MR. ALPER: So we have several thoughts on that, your  
19 Honor.

20 So the -- as it turns out, the three patents that are  
21 no longer in the ITC did get far enough along in the ITC so  
22 that we actually took substantial discovery on them. So from  
23 our perspective, from Motorola's perspective, we actually don't  
24 need very much more in the way of discovery in order to  
25 adjudicate those claims before your Honor.

1           And so the short answer is we believe that there  
2 wouldn't be a whole lot of overlap because we can reuse the  
3 record that we developed in the ITC during the discovery period  
4 there and thus have a very kind of streamlined proceeding when  
5 it comes to those three patents.

6           And certainly when you kind of weigh that against  
7 should Hytera appeal the other patents, we're talking about  
8 multiple years before we take patents that are kind of, like,  
9 packaged up and ready to go to get them to a final result. It  
10 doesn't -- it doesn't balance out, from our perspective.

11           THE COURT: What discovery do you envision?

12           MR. ALPER: We would -- so we had gotten through claim  
13 construction. We had gotten through fact discovery. And we  
14 had gotten through I believe expert discovery on all three  
15 patents. So not a whole lot. You know, I think that most of  
16 the record is there. And standing here right now, I'm not sure  
17 I can think of anything in particular.

18           Damages. I'm sorry. My colleague, Mr. De Vries,  
19 reminded me. Damages was not --

20           THE COURT: The most important part.

21           MR. ALPER: Right. Thank you. That is -- that's  
22 correct.

23           So one of the issues that was not in the ITC that will  
24 be before your Honor is damages. So we would need to do some  
25 follow-up on damages.

1 THE COURT: If the multiple patents are used on the  
2 same series of products, how are you going to be able to  
3 segregate damages apart from the other patents?

4 MR. ALPER: By way of, you know, ordinary experts and  
5 apportionment and so forth, your Honor. That's -- that's very  
6 typical for us to -- and by law, we -- we feel it's our  
7 responsibility to address those issues. And -- and since  
8 they're on different features, each patent is on a different  
9 feature, that's something that, between the technical damages  
10 experts, is very readily available to the -- you know, for us  
11 to be able to do.

12 THE COURT: What's your response, Counsel?

13 MR. STRINGFIELD: Your Honor, I don't share counsel's  
14 view that there won't be duplicative discovery if we do this as  
15 Motorola proposes whereby we go forward with some subset of the  
16 patents and then later pick up patents at some point down the  
17 road.

18 There's substantial, if not almost entire, overlap in  
19 the accused products that are at issue with the three patents  
20 that they would like to go forward with today and the other  
21 four patents that may or may not come back into the case later.

22 So, your Honor, our fear is that there would be  
23 duplication of written discovery related to infringement issues  
24 and -- and possibly even overlap in validity issues to the  
25 extent that there are issues that interplay between the four

1 patents and the three patents, your Honor. So our fear is that  
2 this would result in a duplication of discovery if we go  
3 forward on a dual-track approach as counsel proposes.

4 THE COURT: Anything else, Counsel?

5 MR. ALPER: Just to say that there really -- because  
6 we made so much progress in the ITC, to the extent that any  
7 additional discovery needs to be -- we need to engage in any  
8 additional discovery, it is minor, and it certainly doesn't  
9 justify waiting what will ultimately be a couple of years for  
10 appeal, especially considering that we're dealing with  
11 competitors.

12 We're dealing with a company, Hytera, that is  
13 continuing to use Motorola's technologies in the marketplace  
14 against us. And we think that the harm that -- that  
15 irreparable harm consideration in this instance should weigh  
16 against a discretionary stay of patents that are no longer  
17 subject to any statutory stay.

18 MR. STRINGFIELD: Your Honor, if I may make one final  
19 point on that. Your Honor, one thing that hasn't been  
20 mentioned is of the three patents that they seek to go forward  
21 on, one of the three is subject to a pending IPR petition.  
22 There's precedent in this court and other courts that when at  
23 least some subset of the patents at issue are subject to a  
24 pending IPR that it makes sense to stay the case for the  
25 purposes of judicial economy.

1           The subject patent that I'm referring to, for the  
2 record, is U.S. Patent 6,591,111. As I mentioned, the IPR  
3 petition has already been instituted. Oral argument for that  
4 petition I believe is set for February, with the PTAB to issue  
5 its decision about six months thereafter. So we're talking  
6 August on that patent; that it will be in limbo, of the three,  
7 again, that Motorola seeks to go forward on today.

8           THE COURT: Is that true, Counsel, that one of the  
9 three you're wanting to go forward on has a PTAB issue?

10           MR. ALPER: One of the three that we want to move  
11 forward on is in the PTAB but not on all claims. So the PTAB  
12 did not institute on all claims, and there are a number of  
13 claims that are not in the IPR which would be before your  
14 Honor.

15           THE COURT: Okay. Anything else?

16           MR. STRINGFIELD: I believe that the claims that are  
17 at issue in the IPR are all of the claims that were asserted at  
18 the ITC.

19           MR. ALPER: And they may have been the ones that were  
20 in the ITC, but they aren't all of the claims that we would  
21 assert against Hytera, so not all of the claims.

22           And that is the last chance. They are expired on  
23 IPRs. They can't file IPRs on these three patents anymore.  
24 Their date has passed.

25           And so at this point there are active claims that can

1 be asserted that will be asserted here, your Honor, that are  
2 not -- not subject to any IPR proceedings and will never be a  
3 subject of IPR proceedings by Hytera.

4 And in any event, with respect to that one patent, the  
5 '111, that will all be completed by May 2019. So that's --  
6 that really, from our perspective, doesn't seem like a valid  
7 reason to hold things up.

8 THE COURT: Well, it might change what I do with that  
9 particular patent, wouldn't it?

10 MR. ALPER: From our perspective, no, your Honor,  
11 because there are claims that we could still move forward. But  
12 even if the PTAB invalidates every claim that's in that  
13 petition, there still would be claims that we could move  
14 forward with before your Honor because they --

15 THE COURT: Yeah, but if I address claims that were  
16 pending there, then I would waste my time working through  
17 those, right?

18 MR. ALPER: Yes, your Honor, except -- except for we  
19 don't believe that given -- when we put our heads together and  
20 schedule this case, we don't think anything is going to come to  
21 your Honor on those specific claims by May of 2019. I think  
22 that, you know, we will have a decision from the patent office  
23 before you need to evaluate anything at that level in this  
24 case.

25 THE COURT: Well, you said there wasn't much discovery

1 left on the three. So why wouldn't I move forward quickly?

2 MR. ALPER: Well, so you're right, your Honor. If we  
3 were looking at a schedule that was compressed like that, which  
4 would be fine with us, then we -- we would either want to only  
5 assert the claims that were not in the IPR proceedings or  
6 accommodate that May 2019 date so you didn't have to do  
7 duplicative work. Fully agree with you there.

8 And if we were to set a schedule that was in that time  
9 frame, then we would very much work to do that so you wouldn't  
10 have duplicative work.

11 THE COURT: Anything else, Counsel?

12 MR. STRINGFIELD: Your Honor, just for the Court's  
13 reference, the authority on this point in this district is  
14 *Trading Technologies v. BCG Partners*, 186 F.Supp.3d 870  
15 (N.D. Ill. 2016).

16 And in that case, your Honor's -- or, your Honor, the  
17 Court considered where -- a situation where only a subset of  
18 the patents-in-suit were subject to IPR. And there the Court  
19 exercised its discretion to stay the case because it found that  
20 the cancellation of other patents or other claims, even if not  
21 all of them, could significantly alter and clarify and narrow  
22 the claims and defenses in that case.

23 Your Honor, it's our position, first, that the  
24 statute -- or excuse me -- the mandatory stay mandates  
25 continuance of the stay. Falling back, your Honor, the Court's

1 discretion should not pro -- allow a dual track, patents in,  
2 patents out, maybe some are in, maybe some are out,  
3 we-don't-know approach to this very complicated patent  
4 litigation.

5 THE COURT: Okay. Anything else?

6 MR. ALPER: Nothing, your Honor, from us.

7 THE COURT: Okay. Gloria, give me a status date end  
8 of January.

9 THE CLERK: Wednesday, January 30th, at 9:45.

10 THE COURT: Is that good for the parties for a status?

11 MR. STRINGFIELD: It's good for Hytera, your Honor.

12 MR. ALPER: I'm sure it is. Sorry, your Honor.

13 That looks -- looks good. That's good for us, your  
14 Honor.

15 THE COURT: Okay. Couple different factors: We've  
16 got the ITC issue, we've got the PTAB issue, and we have new  
17 counsel and the fact that some of those things are going to  
18 possibly affect a settlement conversation that seems stalled  
19 and needs to be at least explored again. And there's the  
20 holidays, which obviously compromise the ability to get a lot  
21 of certain things done.

22 So based on all the factors in front of me, I'm going  
23 to continue a stay. I'm going to do it based on a  
24 discretionary stay of all the claims through and including  
25 January 30th. But I fully expect to lift the stay on some or



1 all of the claims and move forward on our next court date.

2 What I'm going to ask that you do is at least to  
3 explore the conversation regarding settlement. Nobody has to.  
4 It's fine. But you do have to talk about it. So I want you to  
5 talk about it, and especially since the landscape has changed  
6 in light of some of the issues that were resolved in the ITC.

7 This also gives you an opportunity to catch up with  
8 the case, having just come into it. And if you want to argue  
9 that the stay needs to go longer, be prepared to argue it in  
10 detail on the next court date. And when we discuss this stay,  
11 we'll talk about ITC and PTAB and any developments on any of  
12 those that have come between now and our next court date.

13 But I expect it will probably move forward, at least  
14 on some phase, so that we don't waste time. But I am concerned  
15 about the Court spending resources on issues that could be  
16 narrowed based on what happens on the ITC, whether or not  
17 there's going to be an appeal, whether or not the PTAB issues a  
18 ruling and whatever the timing is.

19 They've already instituted, right?

20 MR. STRINGFIELD: Correct, your Honor.

21 THE COURT: Okay. All right. So at least we know  
22 that.

23 Anything else I can help you with today?

24 MR. ALPER: Nothing for us.

25 MR. STRINGFIELD: No.

1 THE COURT: Have a great holiday, everybody.

2 MULTIPLE COUNSEL: Thank you, your Honor.

3 (Concluded at 10:06 a.m.)

4 C E R T I F I C A T E

5 I certify that the foregoing is a correct transcript of the  
6 record of proceedings in the above-entitled matter.

7

8 /s/ LAURA R. RENKE November 29, 2018  
9 LAURA R. RENKE, CSR, RDR, CRR  
Official Court Reporter

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